

**APPROVED**

by the decision of the Board of Directors of  
"Almaty Social-Entrepreneurial  
Corporation" Joint Stock Company

Appendices \_\_\_\_

to the minutes of the meeting of the Board  
of Directors of "Almaty Social-  
Entrepreneurial Corporation" Joint Stock  
Company

dated \_\_\_\_\_ 2023

No. \_\_\_\_\_

**THE SUSTAINABLE DEVELOPMENT POLICY OF "ALMATY SOCIAL-  
ENTREPRENEURIAL CORPORATION" JOINT STOCK COMPANY**

Owner of IRD	Department of Strategy and Corporate Development
Developer of IRD	Department of Strategy and Corporate Development
Responsible for storing the copy of document	IRD Database Administrator
The place of storage of the original	IRD database
Responsible for monitoring and updating	Department of Strategy and Corporate Development
Information about documents that have become invalid due to the adoption of a new	No
Protocol of Disagreements	No
Number of appendices and pages	Without appendices, IRD on 16 pages.

**Almaty, 2023**

## TABLE OF CONTENTS

SECTION 1 General provisions .....	3
Chapter 1. Scope .....	3
Chapter 2. Goals and objectives of the Company in the field of sustainable development .....	5
Chapter 3. Principles of sustainable development of Company .....	7
Chapter 4. Interaction with stakeholders .....	10
SECTION 2 Directions of the Company's activities in the field of sustainable development .....	10
Chapter 1. Promoting the sustainable development of the city's economy.....	10
Chapter 2. Managing Company's own environmental impact .....	11
Chapter 3. Responsible work practice .....	11
Chapter 4. Responsible business practice .....	12
SECTION 3 Mechanisms for implementation of this Policy .....	13
Chapter 1. Distribution of responsibility .....	13
Chapter 2. Integration of sustainable development principles into key processes .....	14
Chapter 3. Disclosure of information in the field of sustainable development .....	16
SECTION 4. Final provisions .....	16

## **SECTION 1 General provisions**

### **Chapter 1. Scope**

1. This Sustainable Development Policy of "Almaty Social-Entrepreneurial Corporation" Joint Stock Company (the Policy) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of "Almaty Social-Entrepreneurial Corporation" Joint Stock Company (the Company), the Corporate Governance Code of the Company and other internal documents regulating the Company's activities, as well as taking into account the requirements of the UN Global Compact, the UN Principles of Responsible Investment, the AA1000 Series of Standards, the International Standard ISO 26000:2010 "Guide to Social Responsibility", the Standards of Reporting in the Field of Sustainable Development of the Global Reporting Initiative (GRI Standards).

2. The purpose of this Policy is to define the fundamental norms, principles, rules and approaches that the Company should adhere to in building a management system in the field of sustainable development.

3. Objectives of this Policy:

1) to define the principles and directions of the Company's activities in the field of sustainable development, including in terms of creating an effective and transparent system of interaction with stakeholders;

2) to consolidate the roles, competencies, responsibilities of each body and all employees of the Company for implementation of the principles of sustainable development;

3) to determine the relationship between sustainable development and key processes of the Company.

4. When solving tasks in the field of sustainable development, the Company relies on its mission, the provisions of the Company's Development Program, and uses international norms of behavior and principles fixed in international standards in the field of sustainable development.

5. The Company considers the use of international standards in the field of sustainable development as a necessary condition for ensuring compliance of its activities with the best international practice and achieving goals and objectives in the field of sustainable development.

6. The provisions of this Policy must be observed by all employees of the Company in the part affecting interaction with stakeholders when planning and implementing their activities, developing internal regulatory documents, distributing information and other types of communications.

7. Subsidiaries and affiliates of the Company ensure the development of internal regulatory documents in the field of sustainable development, taking into account the provisions of this Policy, with subsequent submission for approval by the Board of Directors/The Supervisory Board of subsidiaries and affiliates of the Company, as well as monitor their application.

8. The following basic terms and definitions are used in this document:

1) The UN Global Compact - the largest international initiative in the field of sustainable development, the purpose of which is to introduce into the activities of the business community ten basic principles in the field of human rights, labor relations, environmental protection and anti-corruption;

2) Subsidiary - legal entity whose decision may be determined by another legal entity based on the presence of predominant interest in the authorized capital or agreement concluded between them, or otherwise;

3) affiliated joint-stock company - a joint-stock company is recognized as affiliate if another legal entity has more than twenty percent of its voting shares;

4) Stakeholders - persons, groups or organizations that have a significant impact on the decisions made by the Company, and/or are influenced by these decisions (for example, employees of the Company, customers, contractors, etc.);

5) Development Index - tool for prioritizing potential projects when making a decision on providing financial support in accordance with the Development Program of "Almaty Social-Entrepreneurial Corporation" Joint Stock Company for 2023-2025, state development programs and investment objectives of the Company and its subsidiaries and affiliates, calculated in accordance with the adopted Investment Policy of the Company;

6) Stakeholder Map - tool that allows systematizing and visualizing information about the Company's environment in order to develop a strategy for working with each of the stakeholders;

7) Competitors - individuals or legal entities whose field of activity, interests and goals are identical in the field of activity, interests and goals of the Company and its subsidiaries;

8) counterparties – individuals or legal entities that have assumed certain obligations under the contract (for example, suppliers, partners);

9) The concept of "green office" is an integrated approach that includes both technical and motivational and educational activities aimed at increasing the level of environmental awareness of employees;

10) international standard ISO 26000:2010 "Guidelines on Social Responsibility" – standard defining the principles of social responsibility, the main topics and problems related to social responsibility and ways to integrate socially responsible behavior into the strategies, systems, practices and processes of the organization;

11) The International Finance Corporation (IFC) - international financial institution, part of the World Bank Group, whose activities focus exclusively on the private sector of developing countries;

12) management – Chairman, members of the Management Board, managing directors of the Company who are not members of the Management Board;

13) Management body – the Board of Directors;

14) UN PRI Principles – set of principles based on consideration of environmental and social factors, as well as factors of good corporate governance (ESG factors) at all stages of investment activity;

15) precautionary principle – the principle implies the adoption of effective measures to prevent environmental degradation, preventive actions to prevent environmental disasters, even in the absence of their full scientific justification;

16) Equator principles – set of standards developed and adopted by financial organizations to assess environmental and social risks in the framework of project financing, based on environmental and social standards applied by the IFC;

17) project - potential or concluded transaction involving the provision of financial and non-financial support by the Company and its subsidiaries and affiliates:

- to the final recipient (with direct support);

- investment funds and direct investment funds in the form of capital entry for the purpose of subsequent financial support to the final recipient (with indirect support);

- subject to compliance with the provisions of the Company's Investment Policy, statutory goals, strategies and missions of the Company and its subsidiaries through equity and debt financing instruments, the provision of innovative grants, guarantee and insurance support, as well as subsidies;

18) AA1000 series of standards - set of tools and standards for managing non-financial reporting and ensuring its quality, developed by the Institute of Account Ability (Institute of Social and Ethical Reporting). AA1000 series of standards includes:

- AA1000 Accountability Principles Standard (AA1000APS);

- AA1000 Verification Standard (AA1000AS);

- AA1000 Stakeholder Engagement Standard (AA1000SES);

19) Reporting standards in the field of sustainable development of Global Reporting Initiative (GRI Standards) – set of standards that include 3 universal standards applicable to all organizations and include principles and requirements for reporting, general disclosure elements and information

about the management approach and 33 thematic standards containing a series of standards for disclosure of economic, environmental and social topics;

20) Strategy-2050 - Development Strategy of the Republic of Kazakhstan until 2050, the main goal of which is to create a welfare society based on a strong state, a developed economy and opportunities for universal labor, Kazakhstan's entry into the top thirty most developed countries in the world;

21) "Almaty City Development Program until 2025 and medium-term prospects until 2030", which provides for a significant increase in the role of the city administration and its subordinate structures in the development of the city's economy, entrepreneurship and investment attraction, as well as identifies priority areas for the development of the city;

22) sustainable development – development in which an organization manages the impact of its activities on the environment, economy, society and makes decisions taking into account the interests of stakeholders. Sustainable development should meet the needs of the current generation without depriving future generations of the opportunity to meet their needs;

23) ESG factors – set of principles of environmental efficiency and environmental protection, social orientation and good corporate governance based on standards recognized by the international community;

24) UN Sustainable Development Goals – 17 goals and 169 targets adopted within the framework of the 2030 Agenda for Sustainable Development and aimed at eradicating poverty, preserving the planet's resources and ensuring well-being for all;

9. The following abbreviations are used in this document:

- 1) Subsidiaries and Affiliates;
- 2) CGC– Corporate Governance Code;
- 3) KPI – key performance indicators;
- 4) IFC – International Finance Corporation;
- 5) UN – United Nations;
- 6) The Company's development Program – the development Program of "Almaty Social-Entrepreneurial Corporation" JSC for 2023-2025;
- 7) ESG – Environmental, Social and Governance;
- 8) GRI – Global Reporting Initiative.

## **Chapter 2. Goals and objectives of the Company in the field of sustainable development**

10. Sustainable development of the Company - set of principles and obligations that guide the Company in carrying out its activities, in terms of:

- 1) managing relationships with stakeholders;
- 2) assessment and management of the impact on the city's economy, social sphere and ecology.

11. The Company ensures consistency of its economic, environmental and social goals for sustainable development in the long term.

12. The economic component of the sustainable development of Company contains the following objectives:

- 1) break-even performance of the Company and its subsidiaries and affiliates;
- 2) ensuring the interests of shareholders and investors;
- 3) improving the efficiency of processes;
- 4) increased investment in the creation and development of more advanced technologies;
- 5) increase of labor productivity;
- 6) creation of new jobs;

7) increase in export growth of non-primary industries;

8) growth of the manufacturing industry.

13. The environmental component of the sustainable development of Company contains the following objectives:

1) minimizing the impact on biological and physical natural systems;

2) optimal use of limited resources;

3) application of eco-friendly, energy- and material-saving technologies.

14. The social component of the sustainable development of Company contains the following objectives:

1) ensuring transparent competitive procedures and equal employment opportunities;

2) fair remuneration and respect for the rights of employees;

3) ensuring occupational health and safety of employees;

4) training and professional development of employees;

5) implementation of internal and external social programs.

15. The objectives of the Company in the field of sustainable development are:

1) integration of the principles of sustainable development into the activities of the Company and its subsidiaries and affiliates;

2) analysis and risk control in the context of the three components of sustainable development;

3) improving the quality of sustainable development management through the organization of systematic work;

4) creation of mechanisms for effective interaction of Company with stakeholders, including regular information on the results of activities in the field of sustainable development.

### **Chapter 3. Principles of sustainable development of Company**

16. The Company, within the framework of its activities, is guided by the following principles of sustainable development, fixed in the CGC of the Company: openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflict of interests.

17. The Company also declares its commitment to the principles of the UN Global Compact in its activities:

1) in the field of human rights protection:

- Company ensures and respects the protection of human rights proclaimed at the international level;

- Company ensures non-involvement in human rights violations.

2) in the field of labor relations:

- The Company supports and recognizes the right to conclude collective agreements;

- The Company promotes the eradication of forced and child labor, discrimination in the sphere of labor and employment.

3) in the field of environmental protection:

- The Company supports an approach to environmental issues based on the precautionary principle;

- The Company undertakes initiatives aimed at increasing responsibility for the state of the environment;

- The Company promotes the development and dissemination of environmentally friendly technologies.

4) in the field of anti-corruption:

- The Company declares intolerance to all forms of corruption and other illegal actions, including extortion and bribery.

#### **Chapter 4. Interaction with stakeholders**

18. In order to implement a successful and effective sustainable development policy in Company, due attention is paid to interaction with stakeholders.

19. In order to determine the list of stakeholders, the degree of their influence and spheres of influence on the interests of the Company, a Map of the Company's stakeholders has been developed. The Company's subsidiaries and affiliates ensure the development and approval of similar stakeholder maps in accordance with international standards for identifying and interacting with stakeholders.

20. The Company defines three groups of stakeholders depending on the area of impact:

1) area of authority and responsibility (Sole Shareholder, management body, management and personnel);

2) area of direct impact (government agencies, subsidiaries and affiliates, investors, financial institutions, suppliers, partners, customers, consumers, auditors and consulting organizations);

3) area of indirect impact (population, public organizations, mass media and competitors).

21. When assessing the importance of stakeholders, the Company ranks stakeholders according to two factors: the degree of support/opposition of the stakeholder, assessment of the strength of his influence on the Company.

22. Based on the assessment of the importance of stakeholders, the structural divisions of the Company determine the directions of interaction with stakeholders, depending on the specifics of the activity.

23. The main forms of interaction with stakeholders are: joint programs and projects, memorandums of cooperation, joint working groups, reporting on activities, meetings, publications, interviews, etc.

24. The main areas of interaction with stakeholders: strategic planning, financial activities, project management, supply of goods, works and services, lawmaking, operational activities, interaction with the media.

25. The Company annually sends questionnaire forms to the main stakeholders, determined by the structural unit responsible for the direction of activities in the field of sustainable development, in order to determine the degree of interest of stakeholders, including in issues of sustainable development.

26. The process of organizing the Company's interaction with stakeholders is based on the principle of involvement, which implies taking into account the interests of stakeholders at all stages of the Company's management process and involving stakeholders in the discussion of significant topics and important issues, potential risks and limits of responsibility.

27. In turn, engagement is achieved by observing the following three principles:

1) Materiality - The Company clearly defines its stakeholders and understands which interests of the stakeholders are essential.

2) Completeness - In the course of its activities, the Company pays attention to the concerns of interested parties, namely, understands their views, needs and expected results of activities, as well as opinions on significant issues.

3) Response - The Company consistently responds to all significant issues of stakeholders.

28. In order to organize the management of relations with stakeholders, the Company focuses its activities on the following basic principles:

1) respects and takes into account the interests of all interested parties;

2) strives to actively inform target audiences about its activities;

3) ensures objectivity, reliability, independence and a high level of information transparency regarding the implementation of state programs, certain internal procedures (procurement, competitive selection among external candidates for employment, provision of financial and non-financial services), as well as the use of financial resources;

4) ensures open and productive cooperation with all stakeholders;

5) fulfills its obligations to interested parties;

6) receives feedback from stakeholders on a regular basis.

29. When formalizing approaches to managing the impact on stakeholders, the Company proceeds from the need to comply with the requirements defined below. At the same time, the Company's subsidiaries and affiliates take into account these requirements when formalizing their own approaches to managing the impact on stakeholders.

30. When interacting with the Sole Shareholder and government agencies:

1) The Company provides reliable information on the results of financial and economic activities in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company;

2) The Company ensures the implementation of the rights of the Sole Shareholder within the framework of corporate governance principles aimed at effective key decision-making;

3) The Company provides additional information about plans, achievements, problems of activity, as well as research by other organizations on the Company's activities, with the exception of confidential information received from other organizations under contracts and/or agreements on disclosure of information and/or confidentiality;

4) The Company participates in international ratings in the field of sustainable development, credit ratings.

31. When interacting with subsidiaries and affiliates:

1) The Company contributes to the timely achievement of the goals of subsidiaries and affiliates;

2) The Company takes into account the interests of subsidiaries and affiliates and provides an adequate and operational process of interaction based on the principles of corporate governance and approved internal regulatory documents;

3) The Company provides consulting support to subsidiaries and affiliates in order to increase their efficiency and break-even, market attractiveness and competitiveness;

4) The Company carries out effective interaction with subsidiaries and affiliates by applying uniform standards and requirements to the work of all subsidiaries and affiliates;

5) The Company maintains an atmosphere of mutual assistance and cooperation in the implementation of its management functions, as well as develops the managerial, scientific, technological and reputational potential of its subsidiaries and affiliates;

6) the Company's specialists carry out a qualitative examination of the documents and results of the work of subsidiaries and affiliates.

32. When interacting with investors and counterparties:

1) The Company sufficiently discloses up-to-date information about the financial condition, dividend policy and credit history, as well as the prospects for the development of subsidiaries and affiliates;

2) the Company's financial and management reports are prepared and submitted in a timely manner in accordance with legislative and regulatory requirements, while the financial statements are reviewed by independent auditors;

3) information on influence of the Sole Shareholder and other stakeholders (republican, local authorities), as well as on the procedure for monitoring and approving transactions with stakeholders is known, transparent and accessible;

4) The Company carries out proactive communication of approaches to making investment and strategic decisions;



5) The Company faithfully fulfills its contractual obligations to business partners;

6) The Company ensures information transparency, openness, equality, fairness, absence of discrimination and unreasonable restrictions on competition in strict accordance with the legislation of the Republic of Kazakhstan;

7) The Company adheres to the principles of corporate governance and improvement of the corporate governance system in accordance with the best international practice.

33. When interacting with customers and consumers:

1) the Company's services are available to consumers;

2) The Company ensures the security of consumer data and commercial information in order to protect from their leakage and misuse;

3) The Company provides services of the same quality and the same level of service without discrimination to all groups of consumers;

4) The Company promotes the improvement of the quality of service and public service, which is reflected in the improvement of customer service standards;

5) The Company informs customers about new tools and operating principles on a regular basis;

6) The Company promotes the improvement of financial literacy of consumers and its customers to the best of its capabilities and in accessible forms.

34. When interacting with employees:

1) The Company provides an open, transparent, personnel policy aimed at the formation of qualified and motivated personnel;

2) The Company provides all employees with equal opportunities to realize their potential in the course of their work, an impartial and fair assessment of their activities;

3) hiring and career development of employees in the Company is carried out solely on the basis of professional abilities, knowledge and skills;

4) effective communication and interaction of employees is ensured by organizing internal corporate sources of regular information to employees and communication channels, including through the work of an internal portal (intranet), regular study of employee opinions and suggestions, organization of work groups.

35. When interacting with the public:

1) The Company effectively and promptly interacts with the public;

2) The Company actively participates in the implementation of socially significant projects;

3) responses to requests sent to the Company are provided in a timely manner and in full;

4) The Company organizes regular meetings with the public (round tables, briefings, posting information in the public domain) to discuss the implementation of programs, exchange views;

5) the sponsorship and charitable activities of the Company are aimed at helping vulnerable segments of the population and low-income citizens, reviving national values, supporting culture, science and education.

## **SECTION 2 Directions of the Company's activities in the field of sustainable development**

### **Chapter 1. Promoting the sustainable development of the city's economy**

36. The mission of the Company is to promote sustainable socio-economic development of the city of Almaty.

37. The Company is a key institution for the development of the city, providing support to business, implementing priority socially significant and investment projects of the city.

38. The strategic areas of activity that the Company carries out within the framework of its mission are:

1) providing a comfortable business environment and supporting entrepreneurship;

- 2) providing a comfortable urban environment and implementing socially significant projects;
- 3) sustainable institutional development.

39. In order to function effectively in three areas of activity, the Company is working on optimizing the portfolio of functions of subsidiaries and affiliates and determining their further development.

40. The Company, following the principles of the "Yellow pages rule", does not perform functions that are sufficiently implemented in the private sector.

41. As part of its activities, the Company has a significant impact on the development of the city, in connection with which the Company periodically evaluates the multiplier effect on related industries and the economy as a whole.

42. The Company is actively working to attract investments and popularize financial instruments both on the domestic and foreign markets, realizing the importance of disclosure of non-financial information for investors.

43. In achieving the goal of cost-effective and sustainable activities, the Company follows international best practices in environmental and social issues, as well as in corporate governance issues (ESG factors) within the framework of projects receiving financial support from the Company and its subsidiaries and affiliates, in order to develop the practice of responsible investment in accordance with the main international standards in this area - Principles responsible investment by the UN and the Principles of the Equator.

44. The Company strives to introduce and integrate ESG factors and a project prioritization tool, the Development Index, into the decision-making process for providing financial support, including by familiarizing the Company's counterparties and its subsidiaries and affiliates with ESG factors and the Development Index.

45. The Company and its subsidiaries and affiliates expect their counterparties to:

1) use environmental risk management system (environment) to identify, assess actual and possible impacts on the environment and society, identify and implement appropriate management measures, monitor the level of environmental risks;

2) use human resource management system and ensure (preserve) the health of employees, which should be based on respect for rights of employees, including freedom of association and the right to conclude collective agreements; this system should ensure fair treatment of employees, the creation of safe and healthy working conditions, prevention of adverse effects on health and safety population groups and consumers;

3) use system of good corporate governance based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence; good corporate governance implies respect for the rights and interests of all persons interested in the organization's activities and contributes to its successful operation, including the growth of its market value, maintaining financial stability and profitability.

## **Chapter 2. Managing Company's own environmental impact**

46. Due to the nature of its activities, the Company does not have a direct significant impact on the environment. The main resources consumed by the Company are electricity, thermal energy and water.

47. The Company applies principles and methods of rational use of resources that best ensure the prevention of adverse environmental impacts.

48. In its activities, the Company strives to reduce excessive consumption of resources and minimize the existing negative environmental impact through the introduction of energy-efficient technologies, reduce water consumption, reduce paper consumption for office needs through the introduction of an electronic document management system and the practice of double-sided printing.

49. The Company is considering the possibility of introducing the concept of a "green office", an important component of which is an information campaign aimed at increasing the level of environmental awareness of employees.

### **Chapter 3. Responsible work practice**

50. Employees are the main value and the main resource, the results of the Company's activities directly depend on the level of their professionalism and safety.

51. The Company builds labor relations with its employees on the basis of the principle of legality and observance of universally recognized labor rights of employees.

52. In carrying out its activities, the Company is guided by the principle of providing equal opportunities and does not discriminate against its employees when hiring, paying, providing access to training, promotion, dismissal on grounds such as gender, race, language, religious, political and other beliefs, citizenship, national or social origin, disabilities.

53. The structural division of the Company responsible for personnel selection uses an extensive set of search and recruitment channels to attract the most qualified candidates.

54. In order to further develop and promote professional personnel within the Company, an integrated unified personnel reserve of the best employees has been created.

55. The Company operates a system of continuous training and development of personnel using modern technologies and information management systems.

56. The Company uses advanced forms of training – business breakfasts with experts, training internships, coaching, case studies, brainstorming, etc.

57. The training and professional development of the Company's employees is based on the following principles:

1) compliance of the topic and content of training activities with the needs defined in accordance with the employee's job responsibilities, the results of the evaluation of their activities (KPI maps), goals and objectives set for the employee;

2) the focus of training activities on solving specific tasks that ensure the improvement of the efficiency of the Company's activities, the study of the best corporate practices and standards;

3) systematic, applied, planned nature of training and professional development;

4) coverage of the maximum possible number of employees of the Company with training and professional development programs.

58. The training process in the Company is built on the basis of an annual assessment of employees by competencies.

59. The increase in the level of labor productivity of employees is carried out through a fair and systematic assessment of activities by the method of applying KPI, personnel certification and motivational measures.

60. In order to ensure fair and competitive remuneration for work, grading system has been introduced in the Company, a regular review of wages in the market and comparable industry is carried out.

61. The Company takes measures to ensure the proper organization of employees' work at workplaces and strives to create safe working conditions that meet the requirements of the legislation of the Republic of Kazakhstan in this area.

62. The Company documents and investigates all incidents and problems related to occupational safety and health in order to minimize or eliminate them.

63. The Company provides the necessary training of employees in the field of occupational safety and health, including training and advanced training of employees in this field.

### **Chapter 4. Responsible business practice**

64. The Company identifies corruption risks, implements and supports anti-corruption policies and practices.

65. Managers at all levels of the Company set an example of anti-corruption behavior to their subordinate employees, as well as demonstrate commitment, encouragement and supervision of the implementation of anti-corruption policy.

66. The Company raises awareness of its officials, employees, contractors in matters of corruption and countering it.

67. The Company regularly trains employees to eliminate corruption.

68. The Company has feedback mechanisms through which officials, employees and contractors of the Company, as well as individuals and legal entities can provide information about possible corruption offenses committed by any official, employee of the Company;

69. The Company's officials and employees are responsible for making transparent, timely and adequate decisions, free from conflicts of interest.

### **SECTION 3 Mechanisms for implementation of this Policy**

#### **Chapter 1. Distribution of responsibility**

70. The management of sustainable development in the Company is carried out within the framework of the general management system of the Company's activities and is an integral part of it.

71. The Board of Directors of the Company carries out strategic management and control over the implementation of sustainable development. The Management Board of the Company approves the corresponding action plan in the field of sustainable development.

72. The Strategic and Budgetary Planning Committee of the Company is responsible for coordinating activities in the field of sustainable development.

73. The head of the structural division of the Company, who oversees the direction of activities in the field of sustainable development, is responsible for ensuring the management of this Policy.

74. Structural divisions of the Company implement measures in the field of sustainable development, ensuring the achievement of efficiency in the field of sustainable development, established in the Development Program of the Company.

75. The heads of the relevant structural divisions of the Company bear personal responsibility for the implementation of measures and the achievement of KPI in the field of sustainable development within their competencies.

76. Structural divisions of the Company provide information on the results of the implementation of measures in the field of sustainable development, as well as information for inclusion in the annual report of the Company at the request of the department responsible for the direction of activities in the field of sustainable development of the Company, if necessary, make proposals to improve the Company's activities in this area.

77. The structural unit in charge of sustainable development of Company performs the following functions:

1) carries out planning of activities in the field of sustainable development – analysis of the internal and external situation, definition of goals, as well as targets in the field of sustainable development, measures to improve and improve activities on the three components of sustainable development, responsible persons, necessary resources and deadlines;

2) coordinates the activities of the Company's structural divisions aimed at achieving the goals and objectives of this Policy;

3) prepares a report on implementation of the action plan and KPI in the field of sustainable development;

4) prepares the annual report of the Company with the inclusion of a section on sustainable development;

5) conducts training seminars for employees of the Company/subsidiaries in order to improve the skills of officials and employees of the Company/subsidiaries in the field of sustainable development with the involvement of external trainers or independently;

6) interacts with the Company's subsidiaries and affiliates on issues of sustainable development, including the coordination of internal regulatory documents and plans of activities of subsidiaries and affiliates in the field of sustainable development;

7) interacts with international organizations, institutions, agencies on sustainable development issues.

## **Chapter 2. Integration of sustainable development principles into key processes**

78. The Company integrates the principles of sustainable development into the Development Program and key processes of the Company, including planning, reporting, risk management, investments, operational activities and others, as well as into decision-making processes at all levels, starting from the Company's bodies (Sole Shareholder, Board of Directors, Management Board, IAS) and ending with ordinary employees.

### **2.1. Decision-making processes**

79. The decision-making process in Company is based on the following:

1) adherence to the principles of sustainable development is established by the authorized bodies of the Company;

2) the decision-making process contributes to the effective use of financial, natural and human resources;

3) equal gender opportunities are represented in Company and discrimination on the basis of nationality is not allowed;

4) The Company has established two-way information exchange processes with stakeholders that will help in identifying areas for improving interaction;

5) the Company periodically analyzes and evaluates management processes, if necessary, adjusts processes and provides relevant information to subsidiaries and affiliates of all stakeholders.

### **2.2. Development program and planning**

80. Strategic integration involves updating the Development Program of Company, taking into account the goals and objectives of Company in the field of sustainable development.

81. Sustainable development activities are included in the Action Plan for implementation of the Development Program of the Company.

### **2.3. Corporate governance**

82. The Company's sustainable development management system is linked inextricably with the corporate governance system (CG).

83. One of the fundamental principles of Company's CG is the principle of sustainable development.

84. All employees and officials at all levels contribute to sustainable development.

### **2.4. Operational activities**

85. The selection of suppliers of goods, works and services is carried out by the Company on a transparent basis in accordance with the requirements of the legislation of the Republic of

Kazakhstan and internal documents, and is based on the preference for the best price, quality and terms of delivery of goods, works and services, as well as a good business reputation of the counterparty.

86. The Company is considering the possibility of including the principles of sustainable development in the relevant contracts (agreements, contracts) with partners to increase consistency with the Sustainable development Goals.

## **2.5. Risk management and internal control**

87. The Company's actions affect the interests of stakeholders and may be the subject of criticism on their part. The criticism of stakeholder is considered by the Company as a source of possible negative impact on its reputation.

88. The main type of risk of the Company in the field of sustainable development is the reputational risk associated with a decrease in the level of trust of the target audience in the Company's activities.

89. The main tool for managing reputational risk is to conduct an ongoing dialogue with stakeholders, including monitoring the media, reviewing appeals, conducting surveys and meetings with stakeholders.

90. Other risks determined by the Company's internal documents may be considered as other risks affecting the sustainable development of the Company in the long term.

91. In order to identify risks in the field of sustainable development, the Company analyzes both internal and external factors affecting the Company.

92. The Company includes risks in the field of sustainable development in the Company's risk register and takes measures to minimize them.

## **2.6. Financial support**

93. The Company and its subsidiaries do not provide financial support for the following types of activities:

- 1) extraction of minerals (in case their further processing within the project is not provided);
- 2) gambling business;
- 3) other types of activities prohibited by the legislation of the Republic of Kazakhstan;
- 4) when implementing joint projects with international financial organizations – activities prohibited by these international financial organizations;
- 5) other types of activities by decision of the Company's bodies and (or) subsidiaries.

94. When forming the project portfolio, the Company gives preference to projects that comply with the UN Sustainable Development Goals and have a significant impact on the sustainable socio-economic development of the city of Almaty, including projects that contribute to:

- 1) inclusive and sustainable industrialization;
- 2) openness, security, resilience and environmental sustainability of the city.

95. The Company strives to apply best international practices in the field of environmental protection and the social impact of funded projects and other activities.

96. When making a decision on the provision of financial support by the Company, it is recommended to have the permits required in accordance with the legislation of the Republic of Kazakhstan issued by authorized bodies in the field of state environmental expertise.

97. Depending on the scale and nature of the impact of the funded projects on the environment and society, the Company may involve consulting, auditing, research organizations, as well as individual experts on a contractual basis in order to assess and monitor environmental and social risks of the projects.

98. If other international and national financial institutions are involved in co-financing projects, the Company is guided by the relevant provisions of the documents provided by these organizations, subject to the availability of such documents.

99. As part of the implementation of housing construction projects, the Company's subsidiaries are guided by the building codes and regulations of the Republic of Kazakhstan. When making decisions within the framework of housing construction projects, the Company's subsidiaries take into account environmental and social risks, striving to minimize the negative impact on the environment and society in the territories of construction.

100. The Company intends to consistently expand its participation in international initiatives in the field of sustainable development, including by joining initiatives related to the application of responsible investment practices.

## **2.7. Disclosure of information in the field of sustainable development**

101. This Policy of the Company is open to the general public and is posted on the corporate website.

102. The Company regularly discloses to stakeholders the results of the implementation of this Policy in the relevant section of the corporate website, as well as in the Company's annual report.

103. The Company's approaches to the formation of the annual report are based on international information disclosure standards - GRI Standards.

## **SECTION 4. Final provisions**

104. This Policy shall come into force upon its approval.

105. The Company strives to implement the provisions of this Policy in its activities.

106. The Company will improve this Policy taking into account changes in the legislation of the Republic of Kazakhstan and development of new standards in the field of sustainable development in international and national practice, guided by the interests of the Sole Shareholder, the Company and other stakeholders.